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ICC FINES PEOPLES GAS FOR FAILURE TO MEET PIPELINE SAFETY REQUIREMENTS

The Illinois Commerce Commission today issued an order finding that Peoples Gas Company failed to comply with federal and state pipeline safety requirements and imposed a \$500,000 civil penalty on the company.

The penalty is the largest ever assessed by the Commission for pipeline safety violations.

ICC staff first notified Peoples Gas in 1999 that it was not in compliance with the leakage survey requirements. At that time Peoples Gas agreed to correct the problem over a five year period, since the portion of the facilities requiring the leakage survey involved over 360,000 meters located inside homes and commercial sites.

The federal Pipeline Safety Act and the Illinois Gas Pipeline Safety Act require distribution system operators to conduct periodic leakage surveys on their facilities, which include service lines up to the outlet of a consumer's gas meter. Data provided by Peoples Gas to the ICC staff in 2005 showed the company had conducted less than half of the total required leakage surveys needed for compliance with the rules.

The company argued that it faced challenges getting customers to allow utility representatives inside their homes for inspections.

In June, 2005, the Commission issued a citation order directing the company to show why it should not be penalized for failure to comply with the federal and state rules.

ICC Commissioner Erin O'Connell-Diaz noted that safety is the real issue in this case, and added "the fact that the company failed to address these crucial inspections over a five year period, warrants a substantial fine."

"The company must comply with the rules to ensure its customers and the Commission that its distribution system is safe," she said.

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